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Prime Minister's schedule, June 30

NIKKEI (Page 2) (Full)
July 1, 2009

09:10 Conference for promotion of measures against information harmful to young people and improvement of the environment on the Internet at Diet; followed by cabinet meeting; Minister of Economy, Trade, and Industry Nikai stayed behind
10:00 Met Minister for Administrative Reform Amari
10:26 Arrived at Prime Minister's Official Residence
12:21 Met special adviser to LDP president Shimamura
13:00 Met Deputy Chief Cabinet Secretary Uruma; followed by Deputy Ministers of Foreign Affairs Sasae, Otabe
14:07 Met Public Security Investigation Agency Director General Kitada; followed by government-labor meeting with Rengo President Tsuyoshi Takagi; Labor Minister Masuzoe, Chief Cabinet Secretary

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Kawamura, Deputy Chief Cabinet Secretary Uruma also present
15:07 Met Assistant Deputy Chief Cabinet Secretary Fukuda
16:28 Met Chief Cabinet Secretary Kawamura; followed by government-ruling parties meeting on FY2010 budget request guidelines; Minister of the Economy Nikai, LDP General Council Chairman Sasagawa, Election Strategy Council Chairman Koga stayed behind
17:28 Speech at forum sponsored by Japan Institute of International Affairs at Imperial Hotel
18:49 Met past managing directors of Junior Chamber Japan at "Baron Okura" bar, Hotel Okura
20:08 Met ex-PM Mori at Chinese restaurant "Tokarin," Hotel Okura
21:50 Arrived at official residential quarters

4) Hatoyama received 21.77 million yen in false donations, denies intention to resign, explaining that false entries were made as secretary's own decision

ASAHI (Page 1) (Abridged slightly)
July 1, 2009

Yukio Hatoyama, president of the major opposition Democratic Party of Japan (DPJ), held a press conference in the Diet building yesterday. He announced the results of an investigation into an incident in which the names of deceased people and individuals who claimed they had never made donations were used in political funds reports by his fund management organization named Yuai Seikei Konwakai (Fraternal Politics and Economics Discussion Council). At the conference, Hatoyama admitted to the false statements, while indicating that the decisions were made independently by his state-paid secretary responsible for accounting. He also added that he will not stand down as DPJ president. Hatoyama explained that he himself was the source of the funds falsely listed on the statements.

The ruling bloc is set to pursue Hatoyama's political responsibility maintaining that what the secretary did was a violation of the Political Funds Control Law. The ruling coalition is also asking for evidence that falsely claimed donations actually came from Hatoyama as well as for details. The DPJ now has a new source of trouble with the next general election approaching.

The press conference was also attended by Hatoyama's lawyer who investigated the incident. The state-paid secretary was responsible for accounting under Hatoyama's policy secretary who is the chief accountant. The state-paid secretary allegedly told the lawyer that he had put on the fund statements the names of dozens of individuals, including deceased people, annually from before 2005. He also allegedly explained the donations: "The organization should have directly asked for donations, but we failed to do that, so I repeatedly made false entries in the reports."

To make up for the donations the fund management body did not receive, the secretary used Hatoyama's personal funds that were supposed to be used when his political funds ran short. False donations amounted to 4 - 7 million yen annually and a total of

21.778 million yen in 193 cases during a four-year period starting in 2005. About 90 people's names were used. The secretary did not reveal this fact either to Hatoyama or the policy secretary, according to Hatoyama.

Hatoyama offered an apology to the public and announced that he has

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dismissed the secretary in question and filed corrected fund reports stipulating that the false donations were loaned by him. Asked about his responsibility, Hatoyama said that he will fulfill his responsibility by thoroughly performing his duties as DPJ president, while admitting his oversight responsibility.

Hatoyama also explained about the secretary's motive, "I think because the amount of individual donations to me was so small that the secretary wanted to keep that fact from me so as not to make any trouble." The lawyer, too, indicated that the secretary tried to make it appear that Hatoyama collected a large amount of individual donations for the aim of defending the secretary himself.

Although Hatoyama held a regular press conference at party headquarters yesterday afternoon, he drew a clear line between being a lawmaker and DPJ president by also holding a press conference at the Lower House Lawmakers' Office Building conference room to offer an explanation.

5) DPJ President Hatoyama's illegal donation scandal has shocked and shaken party; LDP-New Komeito ruling coalition intends to grill Hatoyama

ASAHI (Page 4) (Excerpts)
July 1, 2009

The Democratic Party of Japan (DPJ) has had smooth sailing since May when Yukio Hatoyama was elected as party president. However, it is now unveiled that Hatoyama's state-paid secretary made false statements in Hatoyama's fund management organization's fund reports using the names of deceased people. Like his predecessor, Ichiro Ozawa, Hatoyama is now busy in dealing with a "politics and money" issue. Hatoyama, a prospective candidate for next prime minister, has exposed his lowered guard. The ruling camp, which is lagging behind in public approval ratings, intends to strengthen criticism against the DPJ with an eye on the next House of Representatives election. The DPJ's crisis management capability will likely be called into question again.

Hatoyama said yesterday at a press conference in which he revealed the results of investigations with the attendance of a lawyer: "I was thoughtless. My confidence in the secretary was at fault. It is extremely regrettable that the secretary, who has worked for me for a long time (made the false reports)," emphasizing that the false donations were made by his state-funded secretary.

The false fund reports issue was discovered by an Asahi Shimbun report on June 16. Hatoyama conducted the investigation on his own decision. He held the press conference after his regular meeting with the press at the party's headquarters.

Hatoyama is a DPJ leader who advocated abolishing corporate political donations and expanding individual contributions. In an attempt to defuse a negative impact on the Lower House election campaign, he hurried to announce the results of the investigations. However, some in the DPJ are concerned about a negative effect on the upcoming Shizuoka gubernatorial election and Tokyo assembly election, which the party considers prelude to the Lower House election.

Meanwhile, the ruling parties criticized Hatoyama's press meeting. LDP Election Strategy Council Deputy Chairman Yoshihide Suga pointed

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out: "That violates the Political Funds Control Law. I want to seek to clarify where the contribution money comes from. There is a

possibility of tax evasion." Kunio Hatoyama, former internal affairs and communications minister, also made a critical comment: "The DPJ is no longer qualified to discuss political funds issues."

LDP Secretary General Hiroyuki Hosoda revealed a policy of pursuing the issue, saying: "It is a huge amount. There are several persons who have made false reports."

Some in the DPJ are calling for punishment against Hatoyama to take responsibility. DPJ Secretary General Katsuya Okada stated after Hatoyama's press meeting: "He has fulfilled his accountability. His explanation was convincing." There is a possibility that there will be discord in the party depending on how the public responds to the DPJ's handling of the matter.

6) DPJ decides to abolish provisional gas tax rate next April:
Secretary General Okada gives in to Hatoyama

MAINICHI (Page 1) (Full)
July 1, 2009

In connection with its manifesto for the next Lower House election, the Democratic Party of Japan (DPJ) decided on June 30 to abolish the provisional gas tax rate in April 2010, if it takes the reins of government. Secretary General Katsuya Okada had been calling for putting off the timetable until after fiscal 2011, citing that the provisional rate should be scrapped, coinciding with the establishment of an environment tax. However, he has given in to President Hatoyama, who is calling for following the immediate abolition policy adopted when Ichiro Ozawa was president.

As a result, key policies that the DPJ would implement in fiscal 2010, the initial year after it takes the reins of government, will include the abolition of the provisional gas tax rate, child benefits (partial), toll-free highways (partial), employment measures including a system of assisting job seekers, measures for medical services, and free high school education, totaling approximately 7 trillion yen. The DPJ intends to include in the manifest policies to be realized in four years after it seizes power. A farm household income compensation system and the full implementation of child benefits will be included in fiscal 2013. This brings the total amount of policy measures included in the manifesto to roughly 17 trillion yen.

Okada had been insisting on forgoing the abolition of the gas tax rate, because he had attached importance to securing permanent funding resources. As fiscal resources to finance its own policies, which cost about 17 trillion yen, the DPJ plans to secure about 9 trillion yen, by slashing wasteful spending of tax money, as well as revising special tax measures and appropriating profits on the management of funds in various special accounts. Scrapping the provisional gas tax rate from the initial year requires separate explanations on how to secure funding resources, such as speeding up the pace of cutting wasteful spending.

Participants in the executive meeting held on the 30th at the party headquarters with Hatoyama and Ozawa in attendance agreed to a policy of immediately abolishing the provisional tax rate. Hatoyama during a press conference held the same day said: "We have many times vowed to scrap the rate right after the DPJ takes the reins of

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government. People would not accept it if we prolonged the implementation of our pledge for a year or two due to the problem of funding resources."

7) PM Aso criticizes DPJ foreign policy as "all concepts"

YOMIURI (Page 2) (Abridged)
July 1, 2009

Prime Minister Taro Aso gave a speech at a forum sponsored by the Japan Institute of International Affairs held at a hotel in Tokyo on June 30. He voiced strong criticism of the foreign and security policies of the Democratic Party of Japan (DPJ), saying: "They are all concepts. When it comes to concrete issues, they only oppose or

defer taking a position."

Citing the DPJ's opposition to the amendment to the new special antiterrorism measures law, which extends the refueling mission of the Maritime Self-Defense Force in the Indian Ocean for one year, and the anti-piracy law to deal with pirates in waters off Somalia, Aso pointed out that, "They opposed or objected to both, which are important choices for Japan as a country." Commenting on former DPJ President Ichiro Ozawa's statement that "the U.S. Navy's Seventh Fleet alone will be sufficient for U.S. presence in the Far East," Aso said: "This will cut back the Japan-U.S. security arrangements significantly and greatly diminished the deterrence provided by the United States to Japan."

With the next House of Representatives election approaching, the prime minister is criticizing the DPJ to elucidate the difference of its foreign policy (with the ruling parties) in order to call its governing ability into question.

8) Aso to shuffle cabinet tomorrow

SANKEI (Top play) (Abridged)
July 1, 2009

Prime Minister Taro Aso made up his mind yesterday to shuffle his cabinet tomorrow. But it is uncertain whether Aso can change his ruling Liberal Democratic Party's executive lineup in the face of opposition from within the party. Meanwhile, Aso will not dissolve the House of Representatives tomorrow and is instead seeking to dissolve it after July 17 when the Emperor returns from his visit to Canada and Hawaii. The election for the House of Representatives is expected to be announced on July 28, with voting and vote-counting set for Aug. 9. Aso intends to shuffle his cabinet without being a slave to what his LDP predecessors used to do, and he will promote a new image for the LDP.

Aso, if he shuffles his cabinet, is expected to retain key ministers, including Foreign Minister Hirofumi Nakasone and Finance Minister Kaoru Yosano. Even if Aso changes the LDP's executive lineup, Election Strategy Council Chairman Makoto Koga and Diet Affairs Committee Chairman Tadamori Oshima are expected to be retained.

However, anti-Aso groups in the LDP are moving to hold a meeting of all LDP lawmakers right after the July 12 Tokyo metropolitan assembly election. On that occasion, they will call for Aso to step down. A small-scale shuffle of the cabinet may fail to ease dissatisfaction in the LDP.

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"I will decide myself to appoint appropriate persons for posts at an appropriate time," Aso told reporters yesterday evening at his office. On June 29, Aso had said, "At this point, it's not on my mind."

Aso met with former Prime Minister Shinzo Abe at his official residence on the evening of June 24. After that, Aso had plans to carry out a large-scale shuffle of his cabinet before July 3 when the Emperor leaves Japan for Canada.

However, the anti-Aso groups, based on that move, geared up to dump Aso. Former LDP Secretary General Hidenao Nakagawa, one of their leaders, called for Aso to step down, declaring that Aso should make an "honorable decision." On June 30, Taku Yamamoto and other LDP lawmakers from the House of Representatives began to collect signatures for a joint plenary meeting of all LDP lawmakers in both houses of the Diet on July 13 after the Tokyo metropolitan assembly election.

9) Adjustments under way to give ministerial post on decentralization to Miyazaki Governor Higashikokubaru

MAINICHI (Top Play) (Full)
July 1, 2009

It was learned on June 30 that Prime Minister Taro Aso is mulling giving a ministerial post to Miyazaki Prefectural Governor Higashikokubaru. The Liberal Democratic Party (LDP) is putting out a feeler about fielding him as an official candidate in the upcoming Lower House election. The prime minister intends to make cabinet appointments within the next couple of days in order to relieve cabinet ministers who concurrently serve in plural posts of their extra duties. He is now making adjustments with the possibility of giving Higashikokubaru a post on decentralization. The aim is to counter the Democratic Party of Japan (DPJ) by putting up Higashikokubaru, who is highly popular among the public, as a key person in the election.

Cabinet ministers to be appointed as early as tomorrow

Referring to cabinet appointments, the prime minister on June 30 told reporters, "I have been thinking of appointing appropriate persons at an appropriating timing." LDP Election Committee Chairman Makoto Koga on June 29 met with Chief Cabinet Secretary Takeo Kawamura in the Diet building. He conveyed to him that Higashikokubaru will run for the next Lower House election on the LDP ticket. They agreed to shortly set a meeting between the prime minister and Higashikokubaru. Koga and Kawamura also conferred on a ministerial post to be given to Higashikokubaru. The LDP will likely put him first on the list for the Tokyo proportional representation bloc.

Following their meeting, the prime minister met with Chief Cabinet Secretary Kawamura at the Kantei. A plan to appoint Higashikokubaru as internal affairs minister, a post in charge of local administration, has been floated. However, the prime minister wants Tsutomu Sato to continue as minister of internal affairs, communications, national public safety chairman, state minister for Okinawa, Northern Territories affairs and disaster management. It appears that they are looking into appointing Higashikokubaru as a minister for decentralization or a minister without portfolio.

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Higashikokubaru is not reportedly dwelling on the post for internal affairs.

When Higashikokubaru met with Koga on June 23, he made the inclusion of a set of requests by the Association of Prefectural Governors into the LDP's manifesto a condition for his running in the election. Adjustments of views are now under way for the inclusion of such in general outline. The prime minister will start cabinet appointments once the budget request guidelines for fiscal 2010 are approved at a cabinet meeting, and hold an attestation ceremony on the 2nd.

10) Prime Minister eyes cabinet roster change possibly next week; Plan emerges for Aug. 8 Lower House election

YOMIURI (Top play) (Abridged slightly)
July 1, 2009

Prime Minister Taro Aso plans to shuffle his cabinet as early as next week for strengthening the campaign setup for the upcoming House of Representative election. In addition to the option of dissolving the Lower House immediately after the July 12 Tokyo Metropolitan Assembly poll for a Lower House election on Aug. 2, a plan has now emerged to carry out a rare Saturday vote on Aug. 8. Some Liberal Democratic Party (LDP) lawmakers are openly making moves to unseat Aso and debate has been reignited in the party on whether to shuffle the LDP executives ahead of the envisaged Lower House dissolution. The LDP is in turmoil.

Meeting the press corps at the Prime Minister's Official Residence (Kantei) last evening, Prime Minister Aso said: "A variety of factors change every day regarding the timing of dissolving the Lower House. I will make a decision at the appropriate time." He also expressed his eagerness to shuffle the LDP executives and his cabinet once the party's consent is obtained, saying: "I will make a decision. I have been thinking about the right timing and the right people."

Last night, Aso held separate meetings with Tsushima faction head Yuji Tsushima and former Prime Minister Yoshiro Mori at a Tokyo hotel. In their meeting, Tsushima and Aso agreed on the need to shuffle the cabinet to add new ministers to it. Reportedly, the question of shuffling the party executive lineup did not crop up in their meeting.

At present, Kaoru Yosano is concurrently serving as finance minister, financial services minister, and economic and fiscal policy minister; and Tsutomu Sato as national public safety chairman and internal affairs and communications minister responsible for decentralization. The envisaged cabinet shuffle is aimed at relieving those ministers from multiple posts. A plan is being mentioned to let Yosano continue to serve as finance minister and financial services minister and appoint a new person as economic and fiscal policy minister. There is also a possibility to appoint a new minister to take over some of Sato's portfolios.

Among those close to Aso, a plan is being talked about for the Prime Minister to announce the dissolution either on July 6 before his departure for the July 8-10 G8 summit in Italy or during the G8 summit. The purpose is to clarify the intent to dissolve the Lower House under Prime Minister Aso regardless of the result of the Tokyo election.

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Meanwhile, New Komeito Election Strategy Council Chairman Yosuke Takagi, appearing on a CS program last night, expressed a dismissive view about the idea of announcing the dissolution in advance, saying, "The option is not really pragmatic."

The Prime Minister has begun reconsidering the option of shuffling the party executive lineup based on his aides' advice to appoint persons who could become the "face" of the Lower House election. But the possibility has become stronger that the Prime Minister will give up the plan in the end due to fierce objections from within the party.

At an LDP Executive Council meeting yesterday, many voiced opposition to changing the executive lineup.

11) Aso wavering over party, cabinet shuffle

TOKYO SHIMBUN (Page 1) (Full)
July 1, 2009

Prime Minister Taro Aso is straying from what he previously said about shuffling his ruling Liberal Democratic Party's executive lineup and his cabinet's lineup. Aso denied it two days ago. However, Aso said yesterday he had been thinking about it, sounding as if to say he has changed his mind. LDP lawmakers close to Aso are also criticizing him for his wavering mind.

"I will decide this matter by myself," Aso told reporters yesterday at his office when asked if he would shuffle the LDP and cabinet lineups. "I have been thinking about appointing appropriate persons at an appropriate time," Aso added. This is the first time for Aso to sound as if he wants to shuffle the party and cabinet lineups.

Aso told reporters on June 29, "At this point, it's not on my mind." The LDP, which was fretting about Aso's intentions, took this remark to indicate that Aso had made up his mind to forgo party and cabinet personnel changes.

"I have no idea what's going on in the prime minister's mind," said one of the LDP's executives in a position to support Aso. "I haven't heard from the prime minister that he wants to change the party's executive lineup," LDP Diet Affairs Committee Chairman Tadamori Oshima said, adding, "I don't think he will do so." Oshima was irritated, and he declared that Aso would not change the LDP's executive lineup. LDP General Council Chairman Takashi Sasagawa exploded into angry words toward Aso when he was asked by reporters about the possibility of personnel changes. "I'm saying he will not do so," Sasagawa said. The idea of shuffling the party and cabinet lineups, which was expected to boost the Aso administration, has

weakened the LDP's unity.

12) Movement to oust Aso accelerating; Internal friction intensifying in LDP

ASAHI (Page 4) (Abridged slightly)
July 1, 2009

Moves to remove Prime Minister Taro Aso from office are growing in the ruling Liberal Democratic Party (LDP). In order to call on the party leadership to hold a general meeting of all the LDP lawmakers from both Diet chambers, some members began collecting signatures

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yesterday. Meanwhile, a group to prevent the anti-Aso movement from spreading was formed. Disarray in the LDP is deepening.

In a liaison conference yesterday of the LDP executives, Yoshinobu Shimamura, special advisor to Aso, made a remark seeking to contain the anti-Aso movement, saying: "There are some calling for moving up the presidential election. I want the party leadership to supervise them." However, LDP Reform Implementation Headquarters Chairman Tsutomu Takebe, who has distanced himself from Aso, reacted strongly, arguing: "We must give consideration to the feelings of young lawmakers."

House of Representatives member Taku Yamamoto, who has collected signatures for an early LDP leadership race, yesterday started collecting signatures calling for holding an LDP general election on July 13 after the July 12 Tokyo Metropolitan Assembly election. He has changed the strategy because he will not be able to seek an early LDP presidential election if the Lower House is dissolved.

A party rule stipulates that it is possible to hold a general meeting if more than one-third of the LDP lawmakers approves. The purpose of holding a general meeting is to make a strategic move to oust Aso, with one anti-Aso group member saying: "There will be nobody who opposes the call for holding a general meeting to hear the Prime Minister's view."

A group of young lawmakers who have been working on drafting an independent manifesto (campaign pledges) held a meeting yesterday. About 20 members attended yesterday's session. Lower House member Yukari Sato stressed in the meeting: "It is important to conduct a presidential election based on a manifesto and elect a new leader before the Lower House election." House of Councillors member Ichita Yamamoto, however, told the press corps: "I am opposed to changing our president at this stage."

Yesterday the "Unity Association," a group supporting Aso, held a meeting. One member said in the meeting: "They consider the Prime Minister an election campaign mascot. We owe it to the public to take responsibility for the leader we elected."

13) Aso to attempt to dissolve Diet with frontal breakthrough, facing Tokyo assembly election, other hurdles

YOMIURI (Page 2) (Full)
July 1, 2009

Prime Minister Taro Aso is poised to dissolve the House of Representatives after the Tokyo Metropolitan Assembly election (July 12) to counter moves in the Liberal Democratic Party (LDP) to "dump Aso" with a frontal breakthrough. However, there are certain hurdles to the prime minister's exercising his power to dissolve the Diet.

Aso's strategy for Diet dissolution is to win in the Shizuoka gubernatorial election (July 5) and the Tokyo election and ride on this momentum to go into the Lower House election. With the term of office of Lower House members expiring shortly (on September 10), it appears that he also wants to avoid giving the impression of "being forced into dissolving the Diet" and show that he is "facing off the Democratic Party of Japan (DPJ)." (government source)

However, the ruling parties' candidate, former House of Councillors member Yukiko Sakamoto, and the candidate of the DPJ, the Social

Democratic Party, and the People's New Party Heita Kawakatsu, a former university president, are fighting a close contest in the Shizuoka election, while there is an opinion that it will be a tough battle for the ruling bloc to win a majority of seats in the Tokyo Metropolitan Assembly (64), which they have set as their criterion for victory.

Another key issue is the additional cabinet appointments contemplated by the prime minister. If problems are found with the new ministers, the prime minister's responsibility will be questioned for making the appointments.

If the ruling camp loses the Shizuoka and Tokyo elections, calls for Aso to step down are certain to grow stronger because LDP members will claim that, "We cannot fight the election under Prime Minister Aso." There is even a possibility that he will be unable to dissolve the Diet.

Junior LDP Diet members who are scheming to "dump Aso" express hopes for his voluntary resignation: "If the ruling parties lose the Tokyo Metropolitan Assembly election, even the bullish prime minister will probably give in." However, Aso's aides stress that: "No matter how tough the situation is, the prime minister will never resign. He will definitely dissolve the Diet."

Talking to reporters about calls in the LDP for him to resign at the Prime Minister's Official Residence on June 30, Aso said "I think now is the time for us to unite as one."

Meanwhile, holding the Lower House election on August 8 has emerged as a compromise proposal, since in case the Diet is dissolved right after the Tokyo election, holding the election on August 2 will give too little time for preparations, and August 9 marks the anniversary of Nagasaki's atomic bombing, which needs to be avoided.

Of the 23 postwar Lower House elections, only six were not held on a Sunday, and the most recent one was on December 27, 1969.

14) Government to approve guidelines for fiscal 2010 budgetary requests today, setting general outlays at 52.7 trillion yen

ASAHI (Page 1) (Slightly abridged)
July 1, 2009

The government and the ruling camp approved at a policy meeting yesterday a set of policy guidelines for budgetary requests by government agencies for fiscal 2010. The Finance Ministry has set Japan's general expenditures at 52.7 trillion yen. This figure is 940 billion yen more than that in the initial state budget for fiscal 2009 and is an all-time high. Expenses for public works projects and defense affairs will shrink by 1 PERCENT to 3 PERCENT below the figures in the previous fiscal year, but the government's plan to curb spending on social security programs has been dropped.

The government has set the multiyear goal of curbing natural increases in social security costs by 220 billion yen a year in accordance with what was proposed in the government's 2006 economic and fiscal policy guidelines. But the government decided to do away with the goal for next fiscal year. Anticipating that social security spending will increase by 1.9 trillion yen reflecting such factors as the nation turning into aging society, the ministry has set aside 25.9 trillion yen as social welfare outlays. The ministry

will continue such retrenchment measures as a 3 PERCENT yearly cut in public works outlays and a uniform 1 PERCENT reduction from year-ago grant levels to state-run universities and subsidies for private schools, but the reduced amount is not enough to cover the increased portion of social security outlays.

About 350 billion yen, up 20 billion yen from that in the previous fiscal year, has been set aside to finance top-priority measures

(aimed at coping with the deteriorated economy and the like). The money will be used as medical and public works expenditures. The budget guidelines also include 650 billion yen in economic emergency reserve funds (1 trillion yen in fiscal 2009) to prepare for worse-than-expected declines in business activities.

Finance Minister Yosano said in a press conference: "The Finance Ministry thinks it is possible to save more than 100 billion yen" reasonably. He revealed that the money would be allocated to cover spending on social security programs, so it will not contribute to improving the nation's fiscal conditions.

The set of guidelines will be approved at a cabinet meeting today, and government agencies will present their budget requests to the Finance Ministry by the end of August. The Democratic Party of Japan (DPJ), however, intends to include in its policy manifest for the next general election a policy of juggling the current budget allocations (by the government). Should a government led by the DPJ be inaugurated after the general election, the ceilings for fiscal 2010 may significantly change.

A senior member of the DPJ Policy Research Council said: "The guidelines could be dropped."

15) Government's written response: Width of territorial sea at straits set at 3 nautical miles "from standpoint of national interest"

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July 1, 2007

At a cabinet meeting on June 30, the government adopted a written response to the question on the reason for setting the width of the territorial sea at five straits - Soya, Tsugaru, Osumi and the East and West Channels of Tsushima - at 3 nautical miles, instead of 12 nautical miles under the Territorial Sea Law. It says: "This is from the standpoint of overall national interest that as a maritime state and an advanced industrial country, ensuring free navigation of commercial ships, large tankers, and other vessels at these straits, which are strategic locations in international transportation, is indispensable." This was in response to a written query from House of Representatives member Muneo Suzuki (New Party Daichi). Former Vice Foreign Minister Ryohei Murata had asserted that the width of the territorial sea at these straits was a political measure to enable U.S. vessels carrying nuclear weapons to pass through the straits without passing through Japanese territorial waters.

16) Government says both "Nippon" and "Nihon" are fine

YOMIURI (Page 2) (Full)
July 1, 2009

At a cabinet meeting on June 30, the government decided on a response to the question of whether the country's name should be

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pronounced "Nippon" or "Nihon." It has determined that, "Both are widely used, so there is no need to unify in favor of either one." This was in response to a written query from Democratic Party of Japan House of Representatives member Tetsundo Iwakuni.

According to the Cabinet Office, a national language research committee of the pre-war Ministry of Education suggested in 1934 that the country's name should only be pronounced as "Nippon," but this was never written into law.

ZUMWALT